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July 29, 2008

Our Ref: 537-07/PJG

BY HAND

Honorable Richard M. Berman
 United States District Judge
 Daniel Patrick Moynihan
 United States Courthouse
 500 Pearl Street, Room 650
 New York, NY 10007

Re: Phoenix Bulk Carriers
 v. Unicarbon and Dynacar
 07 Civ. 194 (RMB)
 07cv10404

SO ORDERED
 JUL 30 2008 *Richard A. Berman*
 Richard M. Berman, U.S.D.J.

Dear Judge Berman,

We represent the Plaintiff in the captioned action and write to provide the Court with a brief status report on the matter.

By way of background, the claim involves a breach of charter and attachment was issued pursuant to Rule B seeking security for the claim. There was a challenge raised to that attachment which was denied earlier this year. The claim on the merits is being prosecuted in London Arbitration and we are advised by the clients that settlement negotiations are underway regarding a possible overall resolution. We are awaiting word on whether the claim will be resolved on an amicable basis, and if so, it would enable us to dismiss the action in New York.

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Provided the Court has no objection, we would propose to report to the Court again on the status of the matter no later than the end of September, 2008 should the matter not be resolved and dismissed in the interim.

We appreciate the Court's attention to the foregoing.

Respectfully submitted,

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